

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **May 27, 2003**

AGENDA ITEM NO.: 8

CONSENT: **X**

REGULAR:

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Amend the \$3.2 million revenue bond resolution for the BluffWalk project**

RECOMMENDATION: Adopt a resolution amending resolution No. 02-016 entitled "A RESOLUTION AUTHORIZING THE CITY OF LYNCHBURG, VIRGINIA, TO CONTRACT A DEBT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000) IN CONNECTION WITH THE FINANCING OF COSTS RELATED TO THE BLUFFWALK CENTER RIVERFRONT DEVELOPMENT PROJECT IN THE CITY", ADOPTED BY THE COUNCIL ON JANUARY 29, 2002."

SUMMARY: On January 29, 2002 City Council adopted a resolution approving the issuance of a \$3.2 million revenue backed bond for the BluffWalk project. In April, the City received the final Section 108 Loan Guarantee Contract, which contained special conditions that were not known in January 2002. These special conditions are additional agreements between the developer and the City. Further, the original bond resolution provided for a maximum interest rate of six per cent which is inconsistent with the interest rate provisions for the underlying variable/fixed rate note required for this project. The attached resolution provides the authority to the City Manager to execute the additional agreements and aligns the interest rate provisions to those of the loan documents of the Section 108 program.

PRIOR ACTION(S): January 29, 2002 City Council meeting

FISCAL IMPACT: None

CONTACT(S): Michael W. Hill 847-1595 ex.293

ATTACHMENT(S): Attached resolution

REVIEWED BY: lkp

**A RESOLUTION AMENDING RESOLUTION #-02-016,  
ENTITLED “A RESOLUTION AUTHORIZING THE CITY  
OF LYNCHBURG, VIRGINIA, TO CONTRACT A DEBT IN  
THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE  
MILLION TWO HUNDRED THOUSAND DOLLARS  
(\$3,200,000) IN CONNECTION WITH THE FINANCING OF  
COSTS RELATED TO THE BLUFFWALK CENTER  
RIVERFRONT DEVELOPMENT PROJECT IN THE CITY”,  
ADOPTED BY THE COUNCIL ON JANUARY 29, 2002**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG,  
VIRGINIA:

SECTION 1. Findings and Determinations. The Council of the City of Lynchburg, Virginia (the “City”), hereby finds and determines as follows:

(a) On January 29, 2002, the Council adopted Resolution #-02-016, entitled “A RESOLUTION AUTHORIZING THE CITY OF LYNCHBURG, VIRGINIA, TO CONTRACT A DEBT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000) IN CONNECTION WITH THE FINANCING OF COSTS RELATED TO THE BLUFFWALK CENTER RIVERFRONT DEVELOPMENT PROJECT IN THE CITY”, authorizing the City to contract a debt in the principal amount of not to exceed \$3,200,000 in connection with the financing of costs related to the BluffWalk Center riverfront redevelopment project in the City.

(b) In the judgment of the Council, it is necessary to amend Resolution #-02-016 with respect to the maximum rate of interest to be borne by the Loan.

(c) In the judgment of the Council, it is desirable to amend Resolution #-02-016 to authorize the City Manager, the Clerk of Council, the Director of Financial Services and other officials of the City to approve the forms of, and to execute and deliver, various agreements required to be entered into by the City under the provisions of the Loan Guarantee Contract.

(d) All defined terms used in this Resolution shall have the meanings given to such terms in Resolution #-02-016.

SECTION 2. Amendment of Section 2 of Resolution #-02-016. Clause (i) following the phrase “*provided, however*” in Section 2 of Resolution #-02-016, is hereby amended to read in its entirety as follows:

“(i) in no event shall the rate of interest borne by the Loan exceed the maximum rate permitted by generally applicable law of the Commonwealth of Virginia;”.

SECTION 3. Amendment of Section 4 of Resolution #-02-016. Section 4 of Resolution #-02-016 is hereby amended to read in its entirety as follows:

“SECTION 4. Authorization of Execution and Delivery of Loan Guarantee Contract and the Fiscal Agency/Trust Agreements and Other Agreements Required by the Loan Guarantee Contract. The Loan Guarantee Contract and the Fiscal Agency/Trust Agreements (as defined in the Loan Guarantee Contract) and other agreements required to be entered into by the City under the provisions of the Loan Guarantee Contract shall be in such form, consistent with the provisions of this Resolution, as shall be approved by the Director of Financial Services of the City, and the City Manager, the Clerk of Council, the Director of Financial Services and other officials of the City are hereby authorized to execute and deliver the Loan Guarantee Contract and the Fiscal Agency/Trust Agreements and such other agreements required to be entered into by the City under the provisions of the Loan Guarantee Contract, it being understood that such other agreements may include, without limitation, Letter Agreements for Section 108 Loan Guarantee Program Custodial Accounts and Letter Agreements for Section 108 Loan Guarantee Program Custodial Investment Accounts with respect to the Guaranteed Loan Funds and to the Loan Repayment Account required by Part II, Sections 1(a) and 6(a) of the Loan Guarantee Contract and various agreements required to be entered into by the City under the provisions of Part II, Section 15 of the Loan Guarantee Agreement including, without limitation, the Obligor Loan Agreement referred to in subsection (b) thereof and the Security Documents referred to in subsection 1 thereof.”

SECTION 4. Filing of Resolution with Circuit Court. The City Attorney of the City is directed to file a copy of this Resolution, certified by the Clerk of Council of the City to be a true and correct copy hereof, with the Circuit Court of the City in accordance with Section 15.2-2607 of the Code of Virginia, 1950.

SECTION 5. Repeal of Conflicting Ordinances, Resolutions and Other Proceedings. All ordinances, resolutions and other proceedings in conflict herewith are, to the extent of such conflict, repealed.

SECTION 6. Effectiveness of Resolution. This Resolution shall take effect upon its adoption.

Adopted:

Certified: \_\_\_\_\_  
Clerk of Council

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